

"THE RURAL CRISIS"

Talk, comment, etc. at the Northern Zone meeting at Robinvale, 21/5/72.

My part in this meeting was to talk about the socio-economic effects of what has come to be called the "Rural Crisis", and collect local opinion on the subject. Fr. Pat O'Brien would concentrate on the effect on the rights of the community and the life of the Church.

The trip up through Ararat, Stawell, Callawadda, Marnoo, Donald, Watchem Birchip, Sea Lake, Manangatang, Annuello, and on to Robinvale showed a good sou to north cross-section of the Diocese.

Watchem is a good example of how a town can decline. Once a very important wheat town, the main street which was once the pride of the Mallee is just a row of run-down shops. The fine brick church is no longer the parish church, and is bigger than its congregation need. Standing between the church and the town is the Mechanics' Institute. Once the social centre of the district, this old weatherboard building with "Watchem Mechanics' Institute" writ large across its front, is symbolic of the drift of social and economic life away from the small towns to the larger country towns, to the large provincial cities, and to the metropolis itself.

Manangatang looked prosperous enough with good buildings and plenty of parked cars in the street, but the only visible living creatures on the streets were one woman and three dogs. We didn't blink when we drove through Annuello because we wanted to see it. This hoary old joke is all right, but with its small general store, and a few houses, it is mighty important to those who live there, and its inhabitants have a right not to be forced to live somewhere else.

Suddenly the Mallee gives way to vines, their leaves yellow with autumn, and there is Robinvale. I had thought that this area of vineyards would have been experiencing great difficulties, but we were told at the meeting that this is not so. Another good thing to hear was that the years of hard work had paid off for most of the migrant block-holders, and they are generally sound now. (So different from the pear-growers of the Goulburn Valley). Robinvale looks a very attractive town when you come into it.

QUAMBATOOK. With the idea that Quambatook might be fairly typical of the Mallee, I asked Fr. Roger Shepherd for a summary of town and district. Here it is: In the last four years, basically it has held fairly steady, but still farmers have left, and their farms bought by neighbouring farmers. In the township, one machinery business and a garage have closed down, one of the two hotels has closed down one grocery store has been in danger of closing down, the butcher's shop nearly closed down but was bought out by a butcher from a neighbouring town, the bakery is threatening to close. Nearly half the business premises in the main street are closed. As far as people are concerned, the population of the town has held steady at around 300 people. For the future there is not any prospect of improvement at all in the business section of the town, people can go to Kerang, Swan Hill, Wycheproof, Bendigo. The rural community are always optimistic of course in this section of the country, being Mallee farmers, and they reckon things will settle down and become reasonably steady shortly. There is no opening or opportunity for the younger generation in the town or in the district; only one son can stay on the farm and the rest have to find outlets somewhere else, nursing, teaching, office-work, trades, and professions in other towns or in Melbourne. In Quambatook

the education consists of one group school up to grade 6 (no Catholic school) and it is the only school in the district. The Quambatook children have to go to Kerang to the Kerang High School, a combination high school and tech. From Lalbert, the second town in the parish they all go on from grade 6 to either the high school or the tech. at Swan Hill. There is social activity connected with the football club of course in both sections of the parish, there is no theatre, but with roads and fast cars what they are the go to Swan Hill or to Kerang for dances, theatre, etc. I suppose that in the parish there are 400 Catholics, or a bit over, in Quambatook and Lalbert combined. On the whole they are very good with about 95% at Mass each Sunday. They are very good too at the Sacraments. There is really no financial strain on the parish as there is no school or convent, no lay-teachers' salaries, all we have is the maintenance of the church buildings and the contributions to the Diocese. Whilst we have a debt of about \$17,000 on the Quambatook church, we expect to have this paid off within the next four years.

ADDRESS (R. MARKEY):

The so-called "Rural Crisis" was a political football as far as some were concerned, and the press and T.V. usually missed the main issues, but it should have dawned on the general population that lots of farmers had grave problems. We want to get our thinking away from mere statistics (these are useful in their place) and to talk about people and their problems, and what we can do, and what others can do to help them. I take it that I am to tell the priests up here how it is in the south and west of the Diocese, but in turn will want to hear how it is in the wheat/wool districts of the Wimmera and Mallee and in the fruit-growing areas along the Murray and Sunraysia. We are hoping that there will be some action on a Diocesan or even a provincial basis. We hope for a Social Justice Statement that will be a guide for further action. The coming Congress is for renewal, and we should take this issue and do some real renewal for the economic, social, and religious life of the country areas.

Coming up here today the country itself looks all right, with a good start to the season and crops going in. But this is not the real issue because droughts are part of the natural scene and they come and go. What we are concerned with are the range of man-made problems which discriminate in so many ways again the people in the country. The most common excuse for most price-increases and extra charges in the country is "freight". Sure it is high. It is interesting to note how the Railways charges to Bendigo are higher than to Albury which is more than twice the distance, because thanks to Section 92 there is road-transpo competition to Albury, and the Railways have to charge reasonable freights there Country people should have relief from other charges too, such as telephone charges.

In the present crisis, Edenhope seems to be faring worst in this Diocese, with Easterton and Coleraine next. The people with the problem are fine-wool growers on small holdings around 800 acres with an average debt of around \$28,000. This is not too bad if you can pay it off quickly, but in Edenhope and south to Casterton and Coleraine they are going backwards. As well as this heavy debt, something else has come up recently. I have this from the Rural Finance Commission (unofficially) that many of the stock-agents who have traditionally carried the

farmers over bad periods are now demanding monthly payments, and forcing the uneconomic sale of stock to achieve this monthly "budget". The families of some of these farmers have been with the same stock firms for up to 100 years and at they are hard-pressed. What sounds contradictory is many of these farmers have been able to switch to another firm, and as new customers, get relief. It seems that you have a batch of little clerks in the city: one lot getting their money in (they're OK, they got rid of a debt), and the other lot get a new customer. It's as artificial as that. (We should keep this in mind as we can sometimes help people with this kind of information). The Government agencies have been very lenient, and in some cases have not been paid anything at all over this period. The long-term solution is a rural bank, offering low-interest loans over a long term.

The dairying districts in the south are well-paid at the present; they look like that they are secure for several years ahead. In my own district those who work their farms well have a very good living; a lot of the Dutch settlers can go on trips back to Holland every five years or so. Further north, the onic growers and mixed farmers around Colac district are getting by reasonably well.

I understand the Mallee is better than the Wimmera.

The drift is from the farm to the small country town, (e.g. Terang: Pat can give the figures on that), but there is high unemployment there (7 unemployed for every 10 vacancies in the metropolitan area, but in the country 25 unemployed for every 10 vacancies. Whether it is Colac in the south or Hamilton, or Horsham in the Wimmera. Out of 15 marriages in the Cororooke parish up to Dec. 1970, or one couple was able to settle in the parish. In Hamilton, only 8 out of the 45 school-leavers of 1970 were able to settle there. At the time of the Farmers' March, Horsham had 200 houses for sale, Casterton 45, Coleraine butter factory and chemist shop close down, and 14 houses were for sale there. These are 1970 figures, and wool prices have improved since that time, but the farmers are still feeling the effects, and there is very little secondary industry to provide employment. Any comments?

Comment: (Fr. Vin Sproules): These statistics can be very misleading. For example, when the attention of the survey was on Casterton/Coleraine many more were persuaded to register for unemployment than would otherwise have been registered, in order to draw attention to the position. They haven't got any jobs sir and things have not improved, they have got worse. There is a lot of dissatisfaction with the powers-that-be. No rural bank to help them etc.... But as you say, it is the worst rural place in the whole of the Diocese, I think. It has been a case of drought over several years and then low wool prices.

It is important to go into this matter of stock firms and see what we can do in individual cases where parishioners and others are not getting a fair deal. A couple of new stock firms have come into the area (Portland Wool Brokers, Younghusband, and Elders Smith are now all the one firm).

Many of these farmers in trouble are the ones who a few years back when prices were good bought more land. Sometimes it is a gamble; e.g. the Murphys at Bungaree: the father mortgaged everything to put his three sons on the land. The struck had spud seasons for three years, and when in about the last gasp struck a real bonanza of spuds. They had more spuds than anyone else and top

prices and made enough in one year to pay it all off.

Causes of the Crisis: Do you think these economic causes are valid?

- 1) Agricultural expansion in underdeveloped countries, the "green revolution". This tremendous growth is very true and I have seen some of it myself.
- 2) Inflation, raising the cost of all goods and services to farmers.
- 3) Restrictive trade practices. Reg Feery at Dimboola ran up against this one years ago when he tried to set up co-operative and group buying.
- 4) Tariffs and world monetary problems.
- 5) Synthetics.
- 6) Decline in old markets and not enough effort to find new markets. The European Common Market may not be so big a problem as we feared. It was found with the dairy industry that the uneconomic European industry is becoming too high in price, and they are willing to buy outside.
- 7) Wage-rises where everybody's wage goes up \$2 except the farmers'.
- 8) Agriculture is declining in importance and so losing its voting-power over the politicians (once 80% of the GNP it is now 60%).
- 9) Centralisation of investment; e.g. the Westernport steelworks should have gone to Portland, and it would have saved the State \$100m. in support development, but the pull of the centralised area put it in Westernport.

Comments: (Max): What is being done to get woolen garments? I find it very hard to get anything to fit me, that's all.

The point was then made that the wives of sheep farmers were not going in and demanding woolen garments, but were weekly taking the synthetics offered to them. The wool people themselves have got to be educated to push their own market. Some of the Horsham farmers made a bit of a drive on this in the local stores, Langlands for instance, and eventually improved the set-up. Synthetics score over wool in being regarded as more machine-washable.

(Bill Melican): The dried fruit market seems terribly dicky with tough competition from the Turks, Cypriots, etc. Over Swan Hill way they seem to be going in for the growing of wine-grapes. You get a truck-full of wine-grapes, and you can take them down to the local winery and you can sell them and get prompt payment without having to wait until the crop is sold overseas and that sort of thing.

Some more general factors: It has been said that the average farmer is a good technologist, but only a fair businessman; that he got used to the post-war boom economy and then did four things wrong. What do you think of these points:

- 1) Paid excessive land prices that were pushed up by speculators etc.
- Comment: Some have got caught, but the main damage is that the sons of farmers cannot get onto the land. The sharefarmers are gone too, through the allocation of wheat quotas to the landowners, rather than to those who worked the land. e.g. in one area where once there were fifteen or twenty sharefarmers, now there are only two. The others had to sell their machinery for what they could get for it and pack up.

- 2) Excessive investment in farm machinery; what about that?

Comment: Farmers find it very hard to work with someone else with their machine in wheat areas anyway. The cases where four or five get together as told on the A.B.C. is the rare exception. Down in the Wimmera where they don't have the big

acres they still have to buy the same size machines as the Mallee farmers. 1 a Wimmera farmer buys a machine that is too big for his own use (as some have) then he cannot find the extra work that might enable him to put it to economic use. Where the crops are even smaller than in the Wimmera it is even worse. Last year lots of wheat farmers did not fill their quotas.

3) High rate of life insurance to cover probate on inflated land values; What about that? Comment: Something has to be done about this, particularly in those instances where forced sale to meet probate ruins the viability of a farm.

(Note: The N.C.R.M. is running a seminar this week on "Estate Planning").

4) Poor marketing arrangements. Comment: It could be a lot better. One farmer 13 items of deduction from his small wool cheque for all sorts of things, and common to lose 20% to 30% on these costs. It is the same when they sell sheep. Now they have to take their sheep to the saleyard to sell, with all sorts of cost and little control over what happens to the stock. Then there is the added cost of bringing them home if the price falls altogether. Brokerage charges, and the distance from the markets are big factors in reducing real returns to the grower in Western Victoria.

Some suggested remedies: These came up in the course of discussion:

1) Long-term low-interest loans: Some sort of rural bank is required to provide these as is being done by the Rural Finance Commission, whose highest interest rate is 6% and it goes down to 2%. 85% of those woolgrowers mentioned around Edenhope-Casterton are non-viable under present short-term high interest rates but this figure would be reduced to only 15% non-viable under long-term low interest rates. General discussion followed on this, with many opinions.

2) (Vin Spronles): The big fine-wool man can survive, but there are many on 700-8 acre blocks who came in during the early 1950s when wool was good, and they were well. When the fine wool prices came down they had no sustenance at all. The D stopped three or four fellows I know from trying to go into mixed farming and milking cows; they wouldn't finance a \$500 dairy so they could send cream or milk to a factory. These are now the men who have had to get out first in the area below Edenhope. In that country and present prices for times the 700 or 800 acre is needed to farm on wool alone. They need alternative products.

3) Tariffs: There could be big savings if equipment could be imported at a reasonable rate. Present tariff just serves to prop up a couple of overseas companies. The first thing Massey Ferguson did when they took over H.V. McKay was to discontinue making spares for a whole range of implements which they forced out of use. Many of the McKay agents gave it away: they weren't prepared to work for Massey Ferguson.

4) Education came in for much discussion. (Max): Does the N.C.R.M. work in with farm consultants. and others in that field? Yes, that is where most of the research material used in this survey comes from. Peter Findlay (ex Wimmera) is one and there are others. It is all very well to have these experts, but we ourselves should be informed and have our own opinion or else we are at the mercy of those experts and the riders of hobby-horses (Donath and others). If there is to be a Social Justice Statement, then we in this zone should have something to do with the drawing up of that statement.

5) Farm efficiency: Donath's dictum, "get big or get out" is valid up to a point.

where one man can efficiently farm, but becomes invalid beyond that point, even in economic terms. E.g.: one man on the Heytesbury can handle up to 100 cows on his own, and up to about 140 with assistance from his family. Once he has to employ men his efficiency drops sharply. If he has less than 50 cows he cannot make a living, with 70 to 80 he scrapes through. You can translate this into wheat or anything else. Donath has made a fetish of this sort of thing.

Pat O'Brien put this economic emphasis into the context of the whole movement of people who are forced into moving to places where they don't want to go and examined the effects of this denial of basic freedom on the life of the Church in rural areas.

The N.C.R.M. is continuing to gather background material, and all comments will be gratefully received.
